

**PRE-APPLICATION CONFERENCE**  
**MBDA CAPITAL PROJECT**  
**FFO NUMBER: MBDA-OBID-2016-2004600**  
**MAY 16, 2016**  
**2:00 – 4:00PM EDT**



Grow your business. Build the Nation.

# OVERVIEW



- Teleconference Protocol
- Important Dates
- Speakers
- Purpose of Teleconference

# TELECONFERENCE PROTOCOL



- Phones should be placed on mute
- Questions are prompted at designated times and coordinated through conference operator
- Teleconference focused on MBDA Capital Project competition
- Keep questions relevant to the topic at hand
- Avoid duplicating questions

# IMPORTANT DATES



- CFDA #11.802, Minority Business Resource Development
- Competition
  - Published: May 2, 2016
  - Deadline: June 15, 2016 at 11:59 P.M., E.D.T.
- Applications must be received by deadline
- Electronic applications only
- Anticipated Award
  - Start Date: September 1, 2016

## SPEAKERS – NATIONAL DIRECTOR & CHIEF COUNSEL





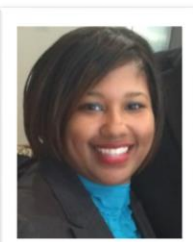
Alejandra Y. Castillo  
National Director



Josephine Arnold  
Chief Counsel

# SPEAKERS – OFFICE OF BUSINESS DEVELOPMENT



-  Efrain Gonzalez, Jr., Associate Director  
Office of Business Development
-  Joann J. Hill, Chief  
Office of Business Development
-  Nakita Chambers, Program Manager  
Office of Business Development



# PURPOSE OF TELECONFERENCE



- 1) Educate potential applicants about the FFO and pertinent background**
  - Agency background
  - Business case for the MBDA Capital Project
  - Project objectives
- 2) Clarify requirements contained in the Federal Funding Opportunity (FFO) announcement**
  - Project
  - Competition
- 3) Tips**
- 4) Answer questions related to the solicitation**

# BUSINESS CASE FOR MBDA CAPITAL PROJECT



- **Changing Demographics:** In 2050, minorities will represent 54% of total U.S. population. Today, minorities represent over 38% of overall U.S. population. The U.S. needs strong minority-owned firms to achieve maximum economic growth.
- **Economic Parity:** If minority firms were to contribute 38% of economic activity the U.S. could realize the creation of 16 million additional jobs, generation of an additional \$2.5 trillion in gross receipts, and unrealized tax base exceeding \$100 billion per year.
- Minority-owned firms create job opportunities for all Americans; MBEs tend to be generally more balanced in hiring minority and non-minority persons.
- **Challenge:** Minority firms are underfinanced in many sectors and report capital access as the number one impediment to growth (“Disparities in Capital Access Between Minority and Non-Minority-Owned Businesses,” January 2010 [mbda.gov](http://mbda.gov)).

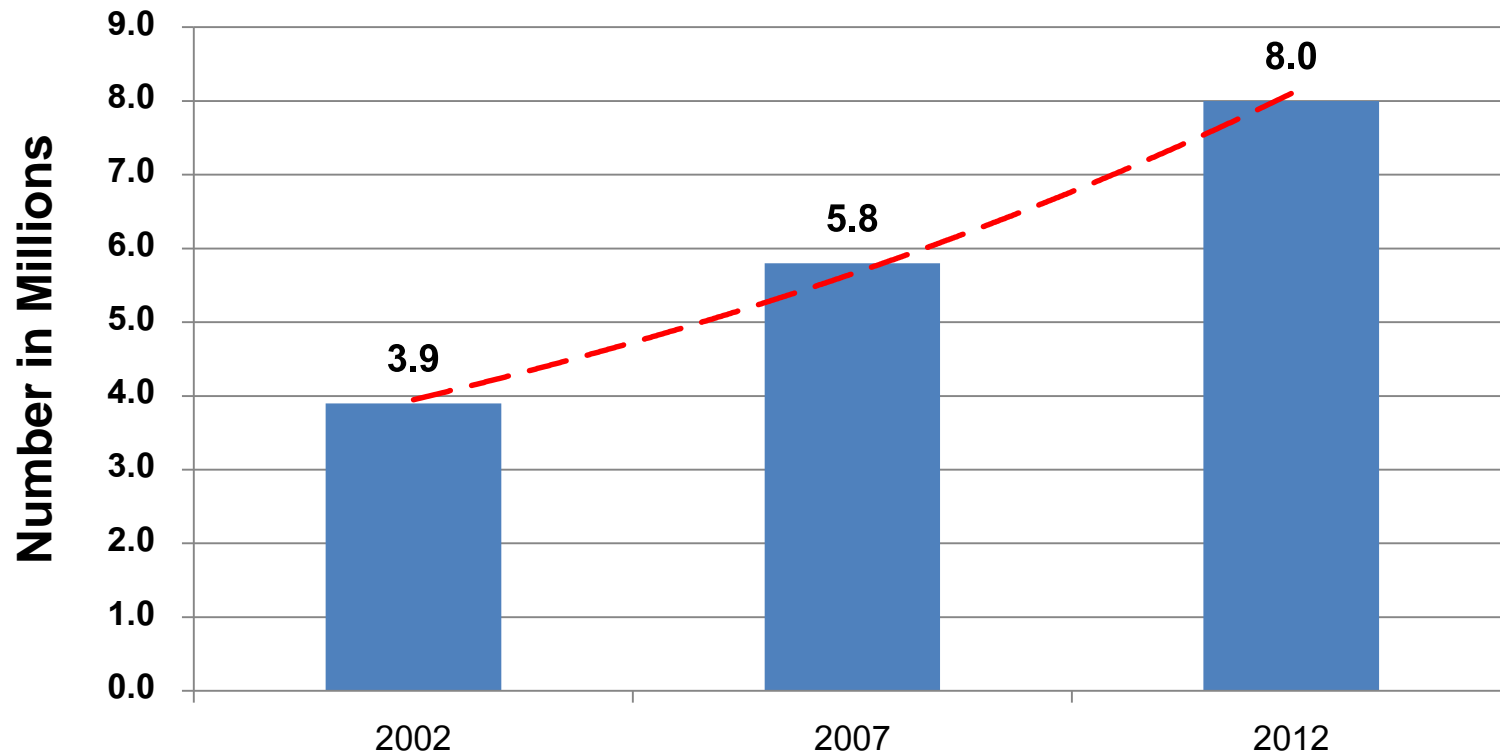


# Minority Business Enterprises - Growth Trend



The number of minority firms more than doubled

## Minority Firms



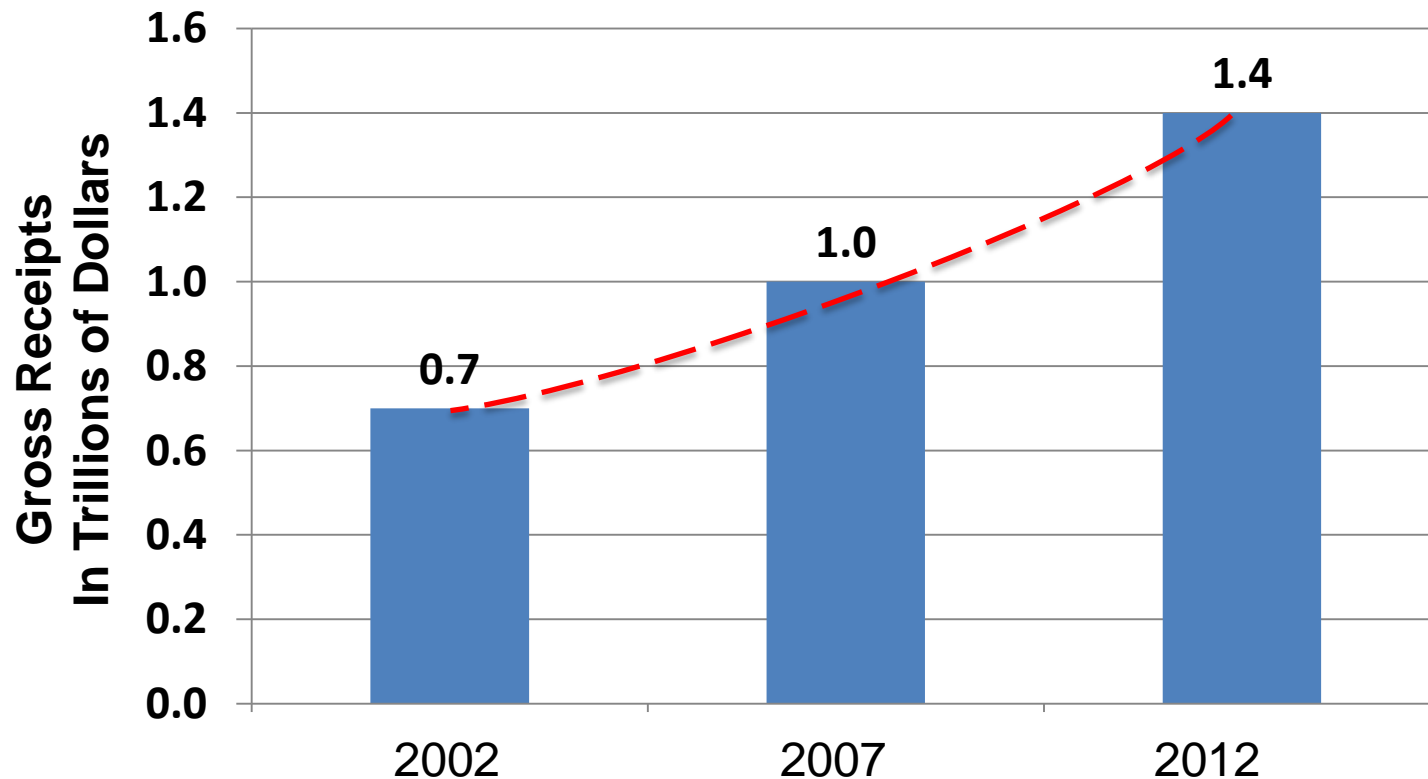
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# Minority Business Enterprises - Economic Contribution Trend



Economic activity of minority firms doubled

## Minority Firms

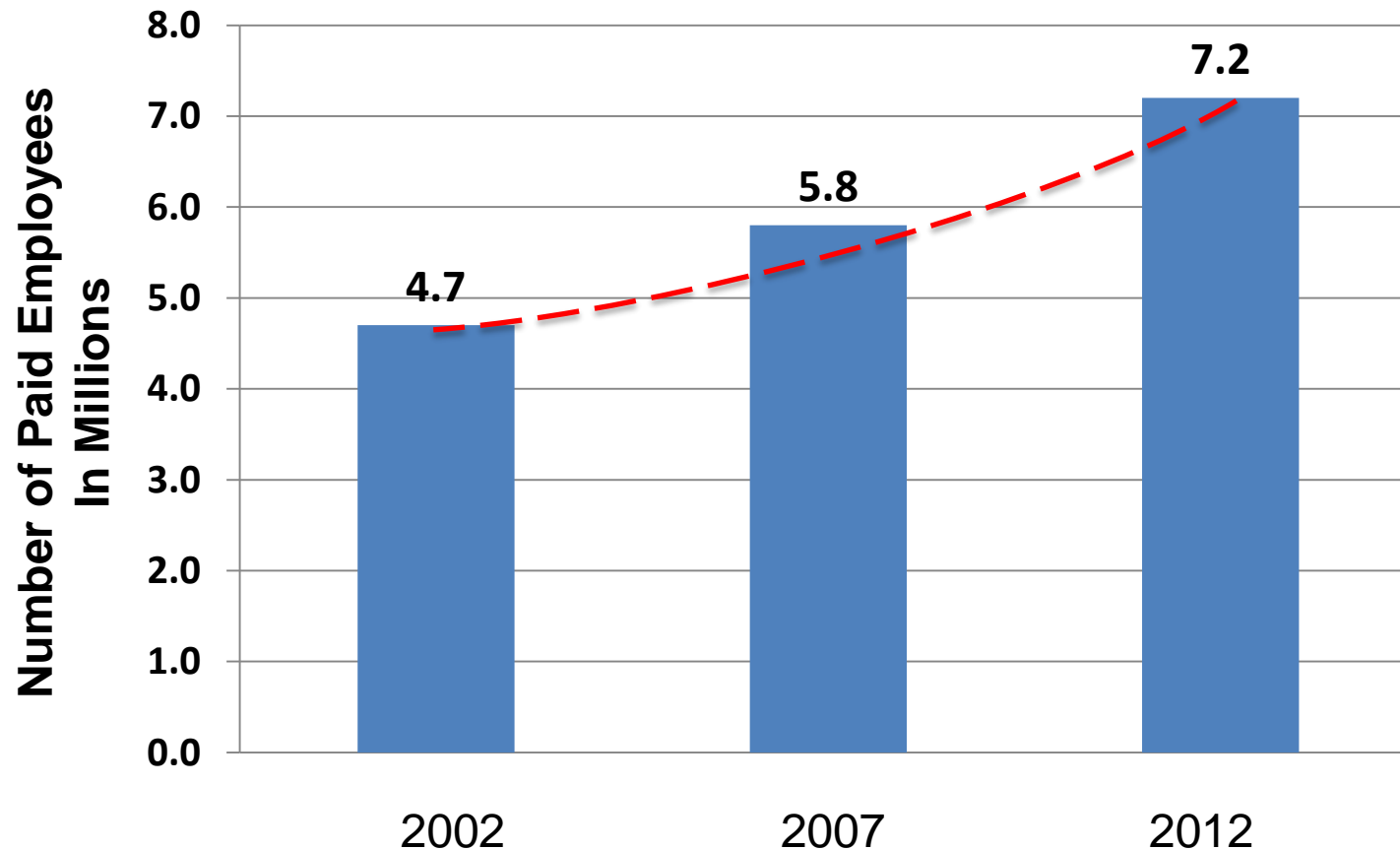


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# Minority Business Enterprises - Employment Contribution Trend



## Minority Firms

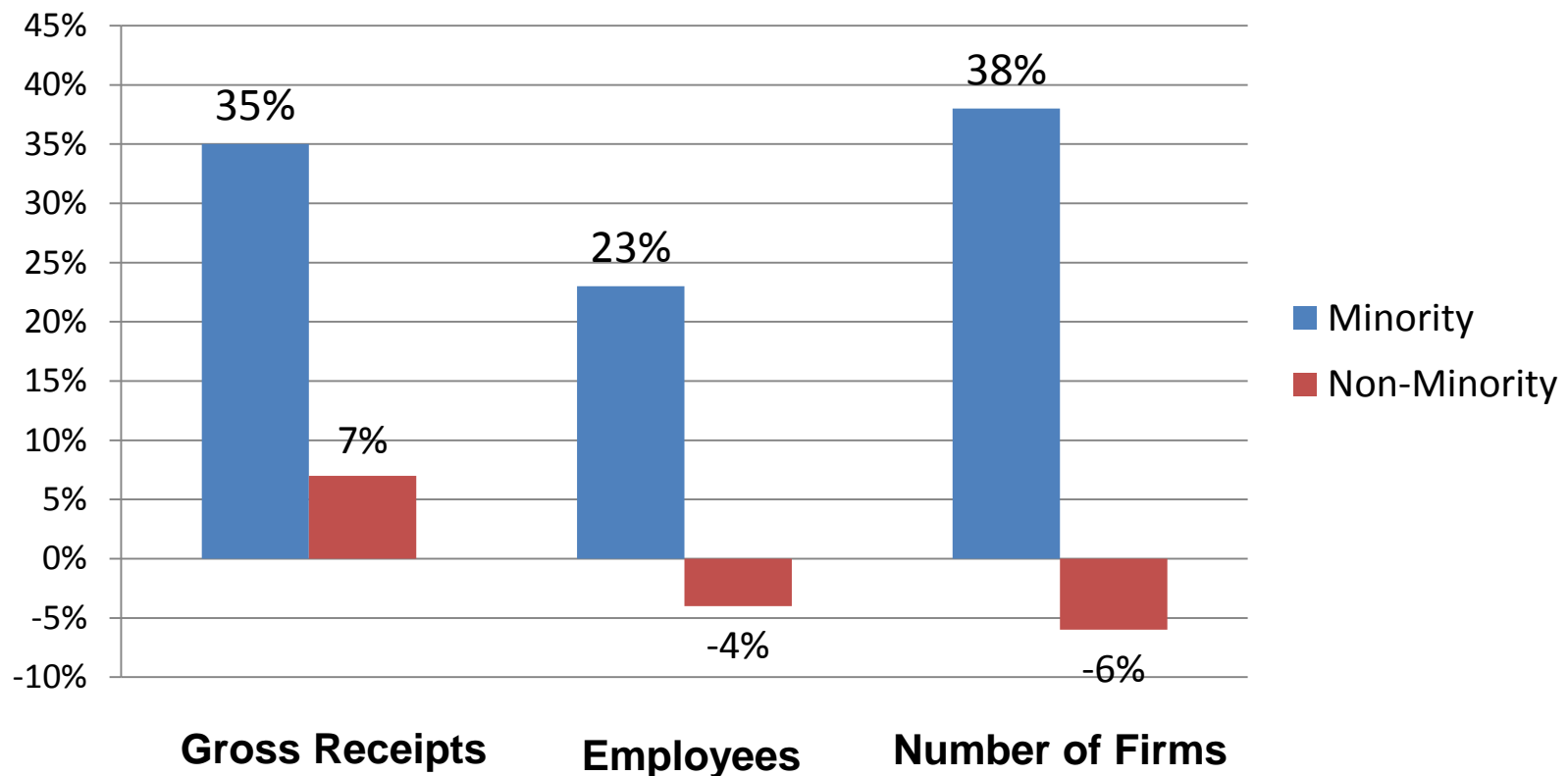


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# Minority Business Enterprises - Comparison of Growth Rates

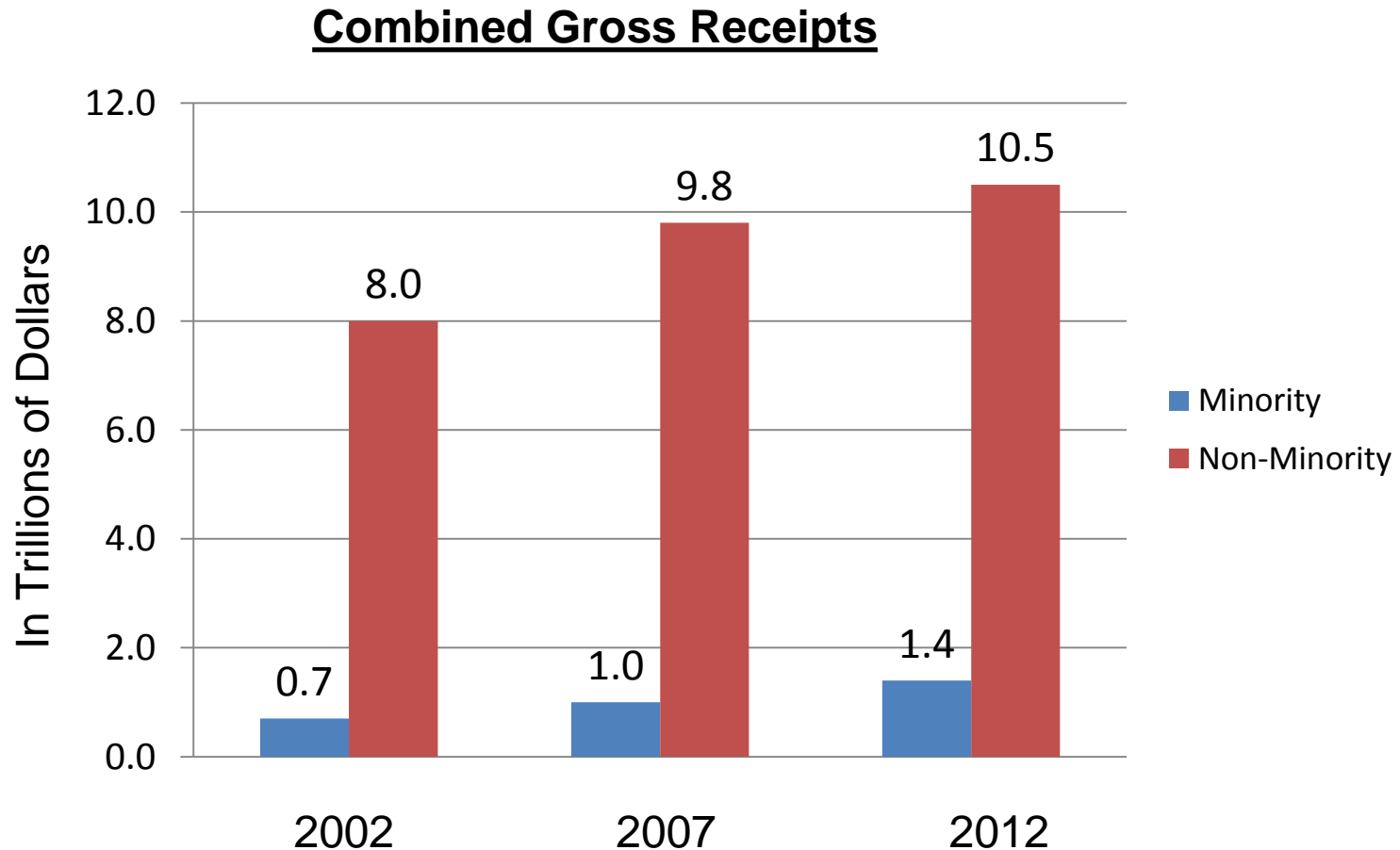


## 2007-2012 Growth Rate Comparison



Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# Minority Business Enterprises – Comparison by Gross Receipts



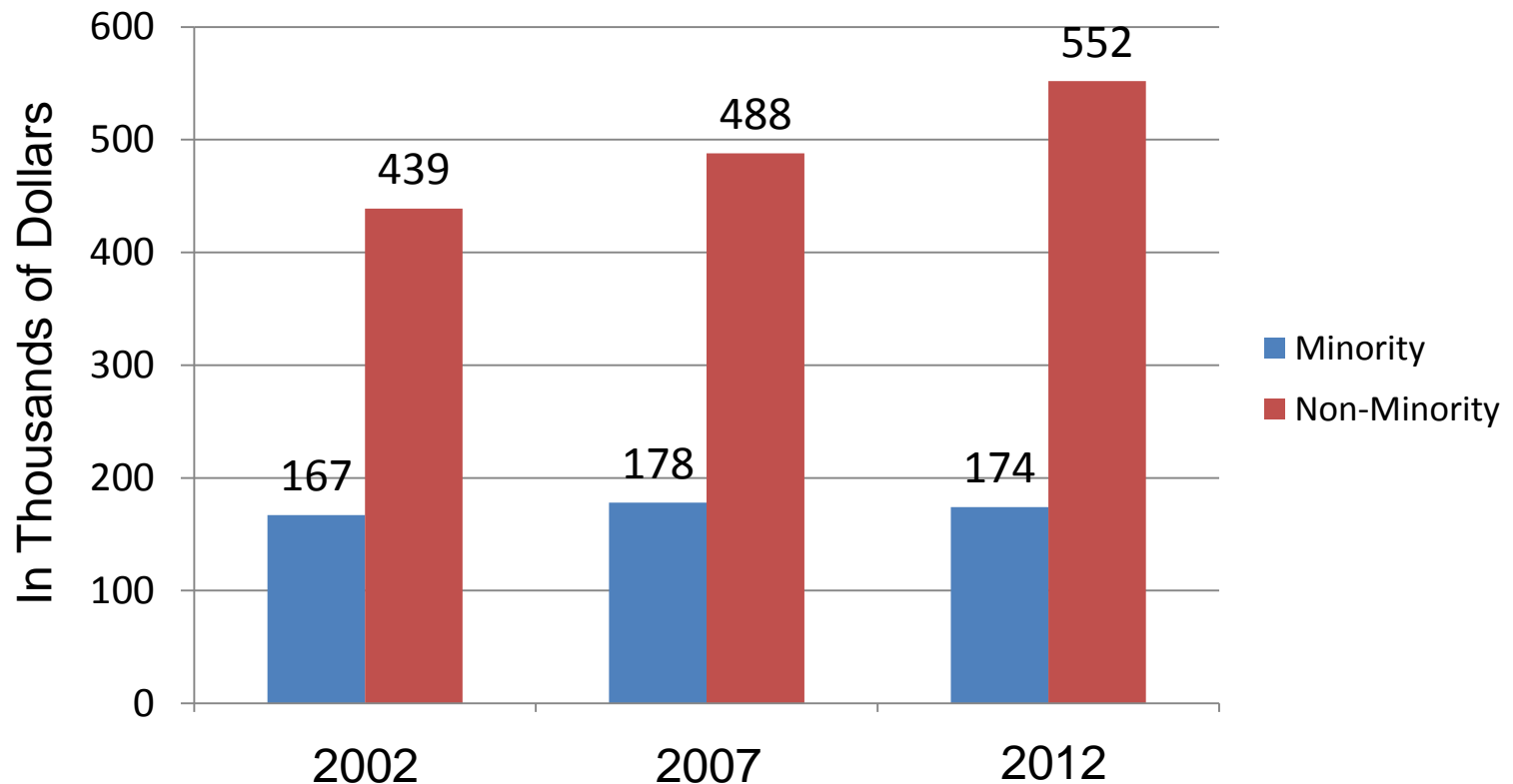
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# Minority Business Enterprises - Comparison of Average Receipts



Minority firms continue to lag in size when compared to non-minority firms

## Average Gross Receipts



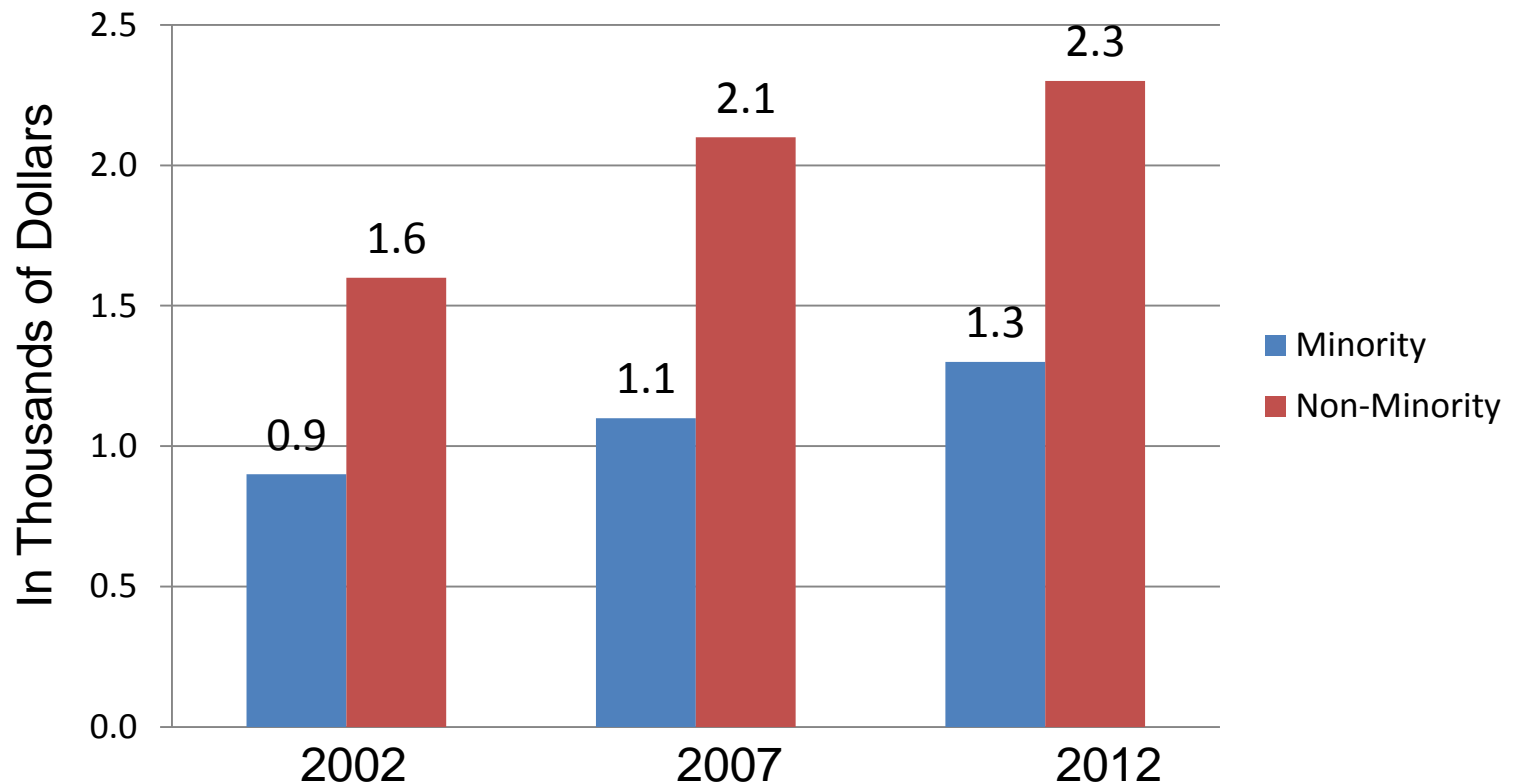
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015



# Comparison of Average Receipts by Employment Firms



## Average Gross Receipts - Firms with Employees

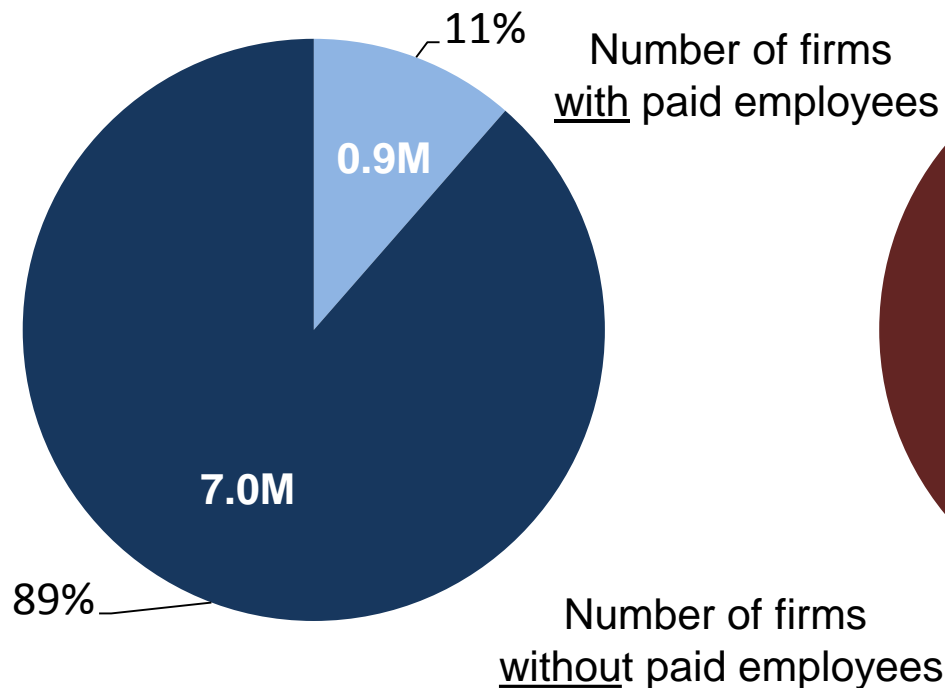


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006  
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010  
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

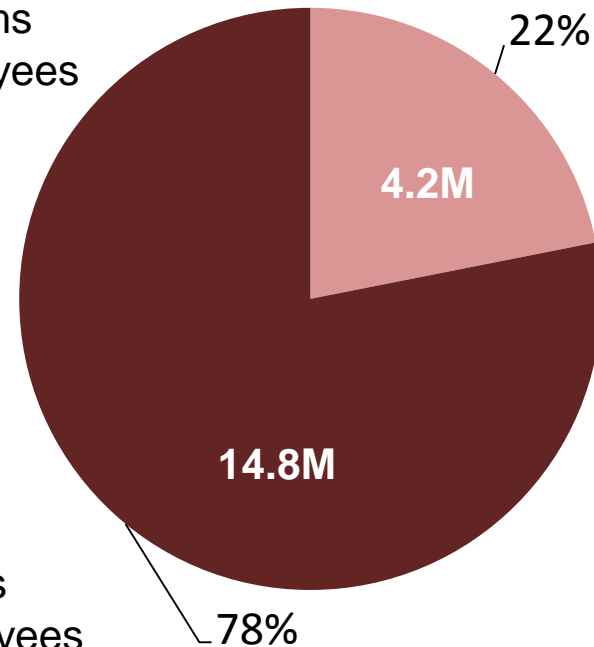
# Comparison of Employment Share



## Minority Firms



## Non-Minority Firms



Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

# IMPACT & OUTCOMES OF MBDA PROGRAMS FOR FY '14



## **MBDA's Impact Areas are measured by:**

- New Jobs Created
- Jobs Retained
- Dollar Value of Financing Transactions Awarded
- Dollar Value of Contracts Awarded
- Export and Manufacturing Transactions

## **FY 2014, MBDA created:**

- Nearly 27K Jobs
- \$1.9 billion – Financial Transactions (Capital)
- \$4.0 billion – Contracts & Procurements

# AGENCY BACKGROUND



- **Vision**

Economic prosperity for all American businesses.

- **Mission**

To foster the growth and global competitiveness of U.S. businesses that are minority-owned.

- **Strategic Focus & Objective**

Access to Capital

Access to Contracts

Access to Markets

Advocacy and Outreach

Research and Policy

# MBDA's 45 YEARS

In March 1969 President Nixon signs Executive Order 11458 creating the Office of Minority Business Enterprise (OMBE) and the Advisory Council for Minority Business Enterprise.



1971

The first Survey of Minority Owned Business Enterprises is published by the U.S. Census Bureau.



1973

OMBE decentralizes and establishes five regional offices and 13 district offices.



1974



OMBE establishes a national business service network and provides seed funding for minority advocacy organizations, such as the National Minority Purchasing Council (now known as the National Minority Supplier Development Council), Hispanic Chamber of Commerce, National Economic Development Association (NEDA), Chicago Economic Corporation and the National Council of La Raza.

1979



The Office of Minority Business Enterprise becomes the Minority Business Development Agency.

The Minority Business Development Center program became the primary method for delivering technical and management services.

MBDA serves 94 Metropolitan Statistical Areas. An Information Center is created to collect, publish and disseminate data to MBEs.



1981

1983

MBDA creates a National Franchise Program, adds funding for the Native American Business and Trade Association, and funds the Cities in School program to provide training to increase youth entrepreneurial skills.



1989

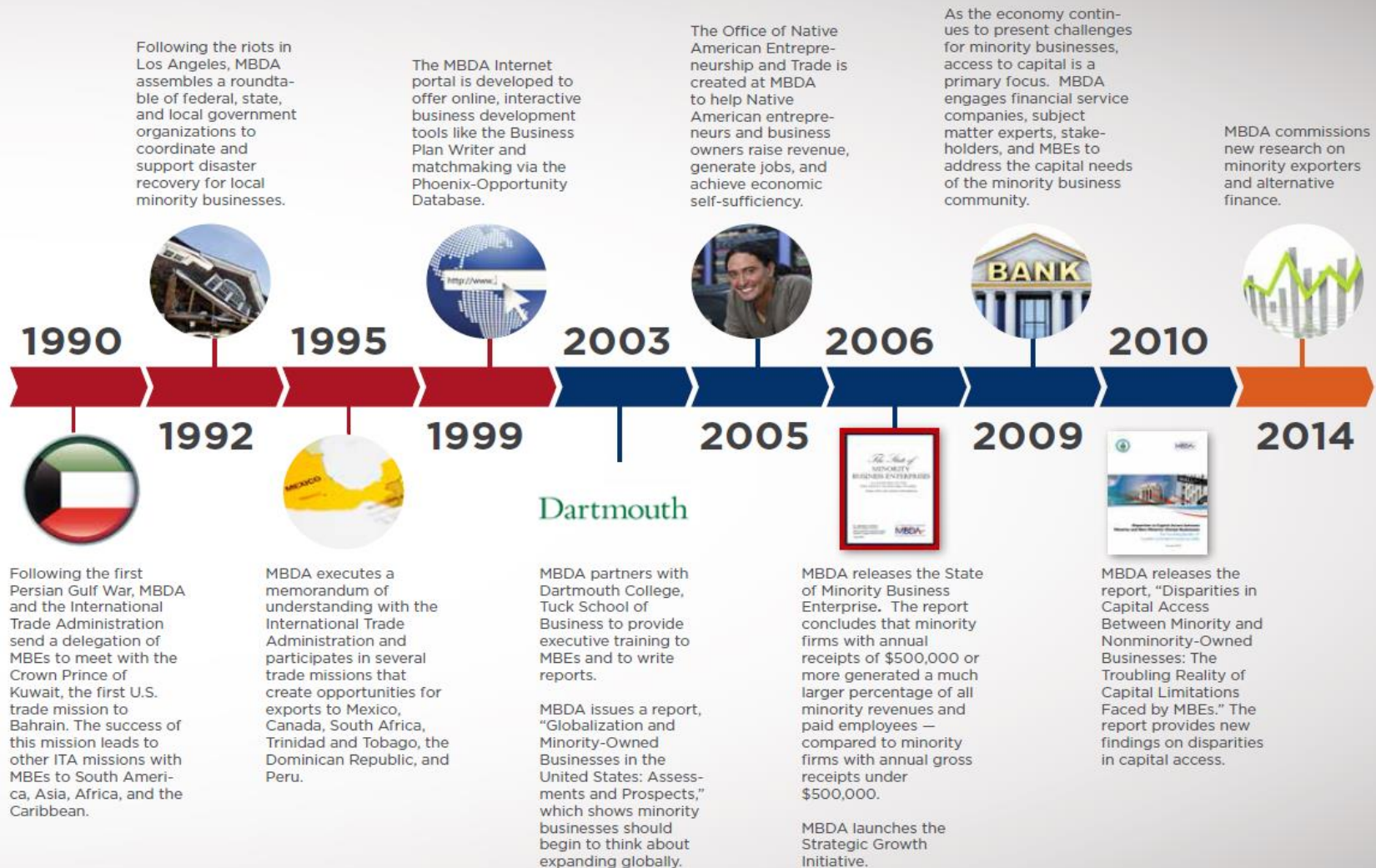


President Ronald Reagan signs Executive Order 12432 giving the Department of Commerce and the U.S. Small Business Administration, in consultation with the Cabinet Council on Commerce and Trade, broad authority to oversee the establishment, preservation and strengthening of federal minority business enterprise programs.

President Reagan signs a Presidential Proclamation designating the first week of October as Minority Enterprise Development Week (MED Week).



# 1969-2014





# PROGRAM PRIORITIES



- The primary drivers of the Project are: capacity building and job creation & retention resulting from facilitation of securing financial transactions for MBE clients
- The Project services include (but are not limited to); vetting of MBEs for capital
- Financial analysis of MBE clients
- Development of a pool of finance opportunities
- Direct matching of finance/capital opportunities with qualified MBEs
- Execution of relationship management
- Finance of acquisition opportunities and referral initiatives (e.g., industry clusters)
- Assisting MBEs in accessing global financing
- Identification and securing all sources of capital including alternative and growth
- Promotion of the advantages of achieving size and scale

## PROGRAM PRIORITIES (CONT...)



- Educating MBEs on the benefits of strategic growth alternatives (e.g., investment initiatives, mergers, acquisitions and/or joint ventures)
- MBE advocacy; support with capital injections for funds under management and/or establishing opportunities for minority led/owned funds to participate in fund management opportunities and provision of service referrals to MBEs of all sizes

# PROGRAM AUTHORITY



MBDA is authorized in accordance with Executive Order 11625 and 15 U.S.C. 1512, to solicit competitive applications from eligible organizations for the Minority Business Development Agency Business Center Program

# MBDA CLIENTS



- MBDA serves all minority clients regardless of size
- Firms eligible for MBDA services are: African Americans, Alaska Natives, Asian Americans, Hasidic Jewish Americans, Hispanic Americans, Native Americans, Native Hawaiians, and Pacific Islanders

# PROJECT CLIENTS



- Special emphasis will be placed on MBE firms with one or more of the following characteristics:
  - Revenues of \$1 million or more
  - Participant in high-growth industries
  - Rapid growth potential
- The Project will serve MBEs of all sizes; start-ups and/or micro firms will be served via strategic partner referrals or electronic service delivery mechanisms

# AWARD INFORMATION



## **Funding Availability:**

Total funding for the award made under this solicitation is three (3) base years and two (2) optional years. Note: Funding for this project has been appropriated, but we expect a total of \$500,000 per year to fund the financial assistance awards for the operation of MBDA Capital Project identified in this FFO through FY 2021.

## **Period of Performance:**

Awards are anticipated to be made with a start date of September 1, 2016. The period of performance under this solicitation is five years, consisting of one base period (three consecutive years) and optional (two performance years) periods.

## **Type Funding Instrument:**

Financial assistance awards in the form of a cooperative agreement will be used.

## **Notification of Award:**

Anticipated time for processing the award is approximately ninety (90) days from closing date for receipt of applications.

MBDA anticipates an award will be made with a start date of September 1, 2016.



# ELIGIBILITY INFORMATION



## Eligible Applicants:

- For profit entities (including but not limited to sole-proprietorships, partnerships, limited liability companies and corporations), non-profit organizations, state and local government entities, Native American Tribes and educational institutions are eligible to apply to operate this project.
- Successful applicants will possess experience in assisting minority firms in obtaining large scale contracts/procurements and financing awards; accessing established supply chains; educating and assisting minority firms in joint ventures, teaming arrangements, mergers and acquisitions; minority business advocacy; and facilitating entry and large scale transactions in global markets. It is also anticipated that the mission of successful applicant organizations will align with both the mission of MBDA and the Project objectives.
- **Special Mention: Current Operators of a MBDA Business Center and/or Project are not eligible to apply for this Federal Funding Opportunity Announcement.**

# COST SHARING OR MATCHING REQUIREMENT



- “Cost sharing or matching” is the portion of project costs not paid by Federal funds; these costs are provided by the Project operator or Project as direct or in-kind contributions.
- The Project shall have a minimum of 33% of estimated total (\$750,000) non-federal cost share under this award.
- Beyond the required generation of program income, applicants may contribute additional non-federal cost share to the award by one or more of the following methods:
  - Applicant cash contributions
  - Applicant in-kind contributions (e.g. non-cash)
  - Third-party cash or in-kind contributions (including a state or local grant or other form of support for the project. **Note:** All cost sharing or matching must be consistent with the requirements of 2 CRF 200.306

# STRATEGIC PARTNERS



- Establish relationships that directly lead to transactions, jobs, or assisting our target MBEs to achieve size and scale, and/or globalization with a maximum of ten entities
- Assist the Project with achieving performance goals, including, but not limited to serving as a referral source to assist start-up and early stage MBEs
- Provide a service and/or opportunity to MBEs served by the Project
- Synchronize outreach efforts
- Foster collaboration

# PRIMARY PERFORMANCE ELEMENTS



- Number of Jobs Created
- Numbers of Jobs Retained
- Dollar Value of Awarded Financial Transactions
- Number of Awarded Financial Transactions
- Number of Awarded Export Related Financial Transactions Facilitated
- Number of Strategic Transactions Facilitated
- Number of Clients Served
- Number of Customers Served
- Number of Existing Capital Training Sessions
- Service Optimization Assessment
- Eligible Bonus Items:
  - ❑ MBDA Special Initiatives
  - ❑ Collaboration with MBDA & MBDA Network
  - ❑ Capital Business-to Business Events

# TRADEMARK AND LICENSING



- Use of MBDA branded logo is required
- This project will not be permitted to maintain an individual website; MBDA will host center web page on the agency's portal
- MBDA Business Center Trade Mark <sup>TM</sup> must be cited
- Publication guidance for signage, stationary and publications will be provided
- Guidance on communication will also be provided

# CLARIFICATION OF REQUIREMENTS



- **General Submission Requirements**
  - All applications must be submitted electronically through [www.Grants.gov](http://www.Grants.gov)
  - Application must be submitted by an Authorized Organizational Representative (AOR)
  - Applicants must adhere to the full FFO



# CLARIFICATION OF REQUIREMENTS



## **Application Requirements\***

A full application will address all five (5) funded periods (last two (2) years are optional) and include the following major components:

- Cover Page and Table of Contents
- Applicant Narrative
- Required Applicant Narrative Attachments
- Budget
- Bonus Points – Non Federal Cost Share in Excess of Minimum
- Standard Forms
- Application Submission Checklist

All pages of the proposal must be consecutively numbered

*\*Note, failure to adhere will result in deduction of points*

# CLARIFICATION OF REQUIREMENTS



## **Applicant Narrative – Capability (35 points)**

- Organizational Background and Knowledge (5 points)
- Mission Alignment (5 points)
- Access to Capital (10 points)
- Capacity Building (5 points)
- Key Staff (5 points)
- MBE Advocacy (5 points)

# CLARIFICATION OF REQUIREMENTS



## **Applicant Narrative – Resources (15 points)**

- Partners (5 points)
- Other Resources (5 points)
- Location/Equipment (5 points)

# CLARIFICATION OF REQUIREMENTS



## **Applicant Narrative – Techniques and Methodologies (25 points)**

- Performance Measures (10 points)
- Start-up Phase (10 points)
- Work Requirements Execution Plan (5 points)

# CLARIFICATION OF REQUIREMENTS



## Proposed Budget and Budget Narrative (25 points)

Budget Detail and Narrative Evaluation Criteria	Points
Reasonableness, Allowability, and Allocability of Proposed Program Costs	10
Performance-Based Budgeting	5
Program income Budgeting	10
<b>Budget Detail and Narrative Total</b>	<b>25</b>

- Generation of program income is required
- Program income is the gross income earned by the grantee that is generated directly by a grant-supported activity or earned as a result of the grant

# CLARIFICATION OF REQUIREMENTS



## **Proposed Budget and Budget Narrative (cont'd)**

- Program income includes, but is not limited to, income from fees charged to clients for services performed
- Applicants have flexibility in choosing the mechanism for generating program income
- Discuss the methods for charging and collecting fees, including policy for waiver of fees
- Minimum cost share required; cost share may be comprised of any combination of the following
  - Program Income (required)
  - Applicant cash contributions
  - Applicant in-kind (i.e., non-cash) contributions
  - Third-party cash or in-kind contributions



# CLARIFICATION OF REQUIREMENTS



## **Proposed Budget and Budget Narrative (cont'd)**

- A detailed and signed letter from any/all 3rd party contributors must be scanned and submitted with the proposal
- Indirect costs are limited to the lesser of:
  - The negotiated indirect cost rate approved by the applicant's cognizant federal agency
- If indirect costs are being proposed by the applicant, and the applicant has an approved negotiated indirect cost rate agreement, a copy of the agreement must be included with the proposal package

# CLARIFICATION OF REQUIREMENTS



## Bonus Points Items (10 points optional)

1. Bonus Points for Non-Federal Cost Share in Excess of Minimum: Applications are encouraged to propose non-federal cost share that exceed the minimum Project requirements. A maximum of five (5) bonus points are available under this criterion as follows:

Cost Share Proposed	Bonus Points
\$10,000-\$29,999	1 bonus point
\$30,000-\$49,999	2 bonus points
\$50,000-\$69,999	3 bonus points
\$70,000 - \$99,000	4 bonus points
\$100,000 and more	5 bonus points

# CLARIFICATION OF REQUIREMENTS



## Forms

- The application must contain the following Standard Forms (SF):
  - SF 424, Application for Federal Assistance (one form to cover all funding periods)
  - SF 424A, Budget Information Non-Construction Programs (one form to cover each funding periods for a total of 5)
  - SF 424B, Assurances Non-Construction Programs (one form to cover all funding periods)
  - SF LLL, Disclosure of Lobbying Activities (one form to cover all funding periods)
- The application must contain the following Department of Commerce (CD) form:
  - CD 511, Certification Regarding Lobbying (one form to cover all funding periods)

# APPLICATION SUBMISSION INFORMATION



- Application Overview
- Content and Form of Application Submission
- Unique Entity Identifier and System for Award Management (SAM)\*\*\*
- Submission Dates and Times
- Intergovernmental Review
- Funding Restrictions
- Other Submission Requirements

# APPLICATION REVIEW INFORMATION



- Evaluation Criteria
- Review and Selection Process
- Federal Awarding Agency Review of Risk Posed by Applicants
- Anticipated Announcement and Award Dates

# FEDERAL AWARD ADMINISTRATION INFORMATION



- Federal Award Notices
- Administrative and National Policy Requirements
- Reporting



# MBDA CONTACT INFO FOR Q&A



**MBDA Q&A email:**  
**[mbdabusinesscenters@mbda.gov](mailto:mbdabusinesscenters@mbda.gov)**

**Frequently Asked Question (FAQ's) can be found on the  
MBDA website at [www.mbda.gov](http://www.mbda.gov)**

## AGENCY CONTACT



Joann J. Hill, Chief  
MBDA Office of Business Development  
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## OTHER INFORMATION



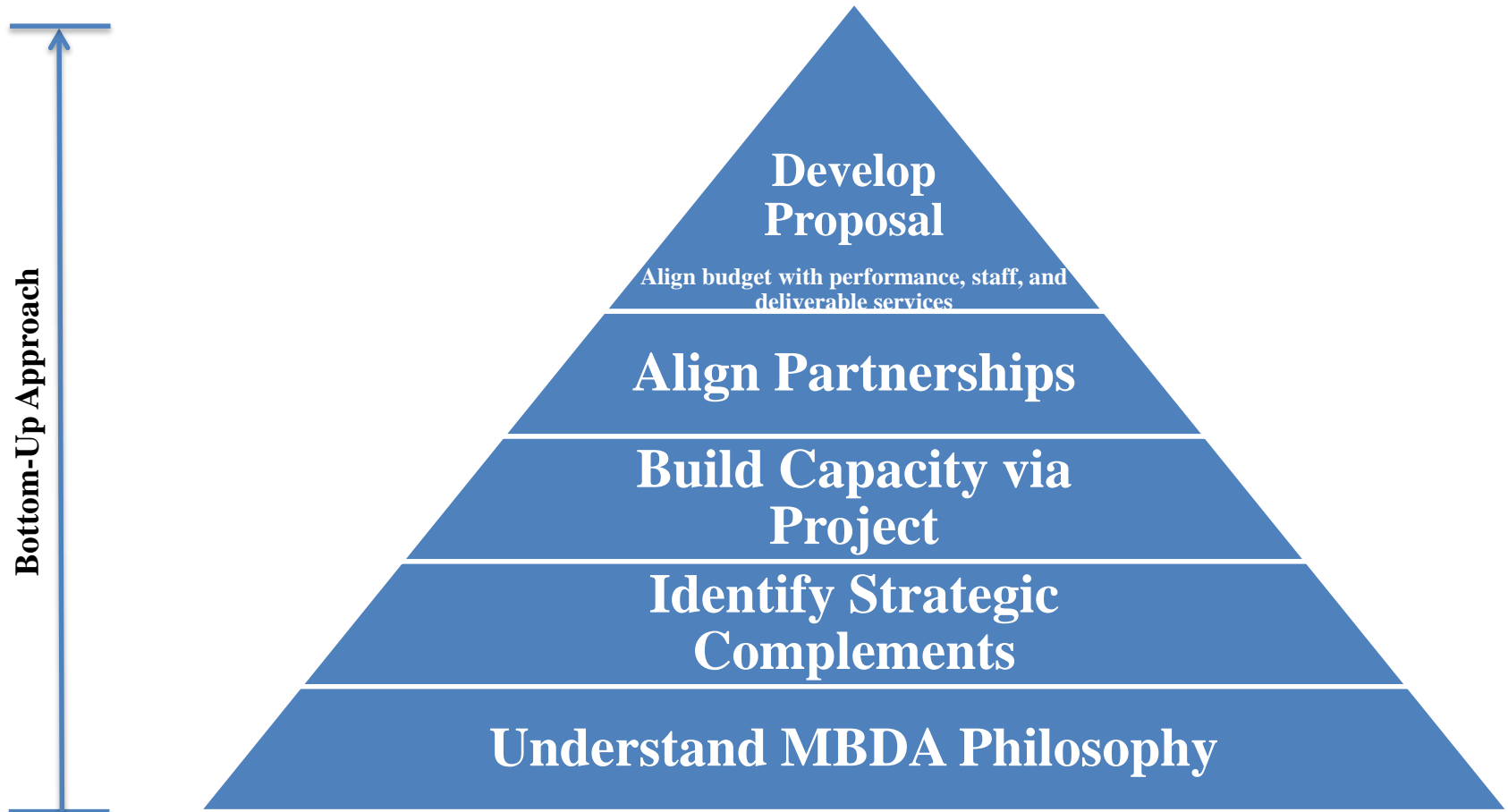
- Post Award Conference
- Past Performance and Non-Compliance with Award Provisions
- Limitation of Liability
- Audit Costs
- Freedom of Information Act Disclosure

# APPENDICES OVERVIEW



- Funding Availability
- Performance Goals
- Performance Measures and Points
- Definitions and Key Terms
- Information Technology and Computer Requirements
- Training Requirements and Definitions
- Application Checklist
- Representation by Corporations Regarding and Unpaid Delinquent Tax Liability or a Felony Conviction Under Federal Law
- Office and Space Requirements
- Work Requirements
- Trademark and Licensing Requirements

# TIPS FOR COMPETITION



**THANK YOU FOR YOUR PARTICIPATION &  
GOOD LUCK!**



Please adhere to operator  
instructions to ask questions.

Thank you